

Department of Defense Purchase

US ARMY FINANCE COMMAND Card Program CONFERENCE

23 June 2004



**Army Liaison
DOD PC/PMO
DSN 761-0372**

GPC Usage Data

May FY 03

	B/O	C/H	Dollars Spent	Transacti ons
Army	24,680	66,478	\$1,899,138,8 15	2,931,390
DOD Total	47,339	123,074	\$3,289,561,2 22	5,278,030

May FY 04

	B/O	C/H	Dollars Spent	Transacti ons
Army	24,537	60,578	\$2,083,030,3 57	2,916,632
DOD Total	47,047	114,020	\$3,511,190,3 68	5,261,054

Electronic Certification/Payment EDI

- **Why**
 - **Increased Visibility**
 - **Cardholder**
 - **Billing Official**
 - **Resource Manager**
 - **Increased Controls**
 - **Increased Rebates**
 - **Mandated by OSD**

Rebates

• **Rebates are based on sales volume and the speed at which we pay our bill.**

- 37 day file turn = 49 basis points (.48%) 5wks**
- 22 day file turn = 71 basis points (.71%) 3 wks**
- 8 day file turn = 94 basis points (.94%) 1 wks**

DoD Refund Schedule

Days after

Invoice	35.90	32	55.55	19	75.85
44	37.40	31	57.10	18	77.45
43	38.90	30	58.64	17	79.00
42	40.40	29	60.15	16	80.60
41	41.90	28	61.41	15	82.20
40	43.40	27	63.25	14	83.85
39	44.90	26	66.35	13	85.45
38	46.40	25	67.95	12	87.05
37	47.90	24	69.55	11	88.70
36	49.40	22	71.10	10	90.30
35	50.95	21	72.70	9	91.95
34	52.45	20	74.25	8	93.55
33	54.00				

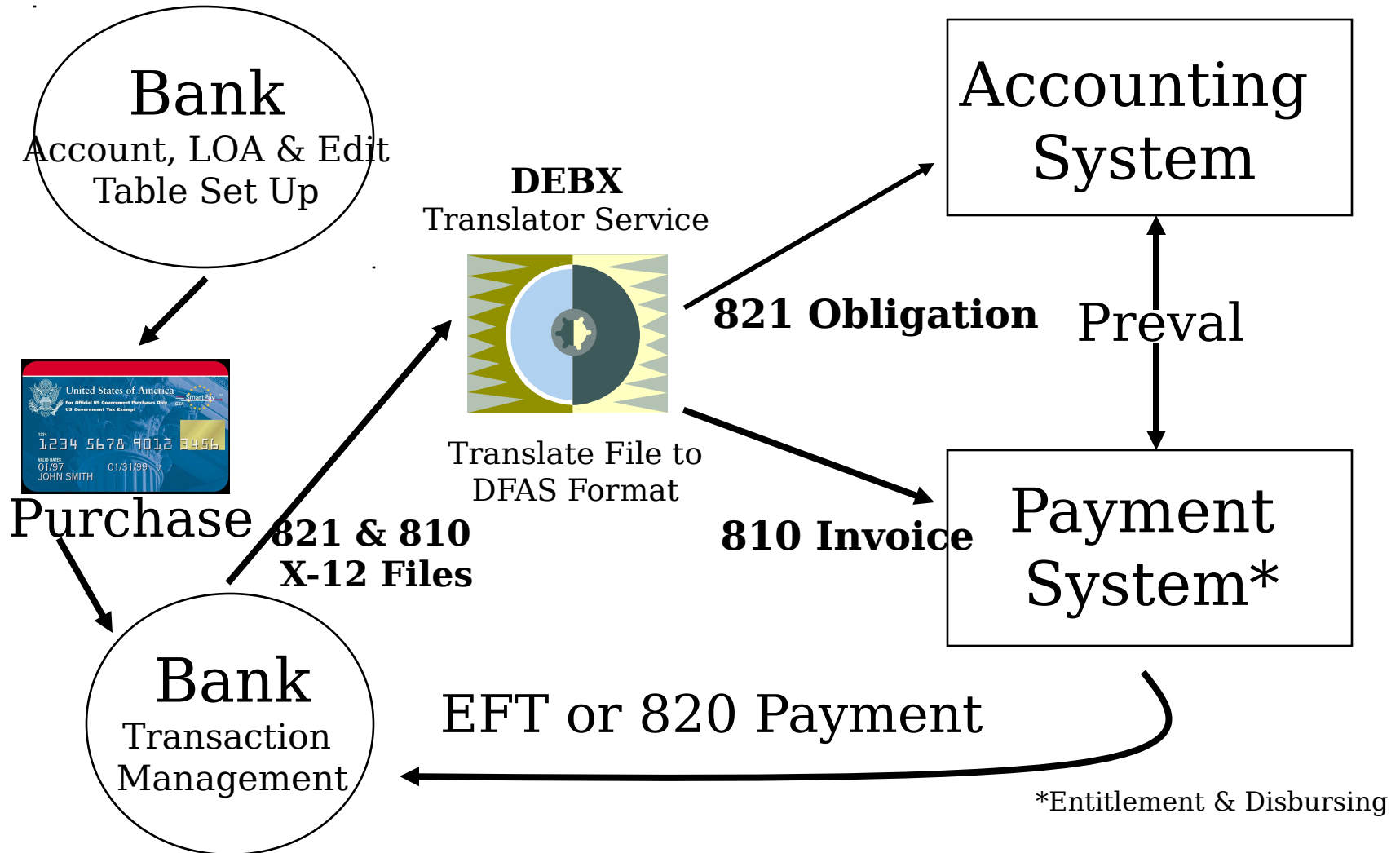
How Much in Rebates?

Current days to pay	40 days
Current rebate	.4329%
Sales Volume at activity	\$25,642,000
.4329 X sales volume =	\$110,260

EDI days to pay	8 days
New rebate	.9355%
Sales Volume	\$25,642,000
.9355 X sales volume =	\$238,470

Additional Rebate's	\$128,210
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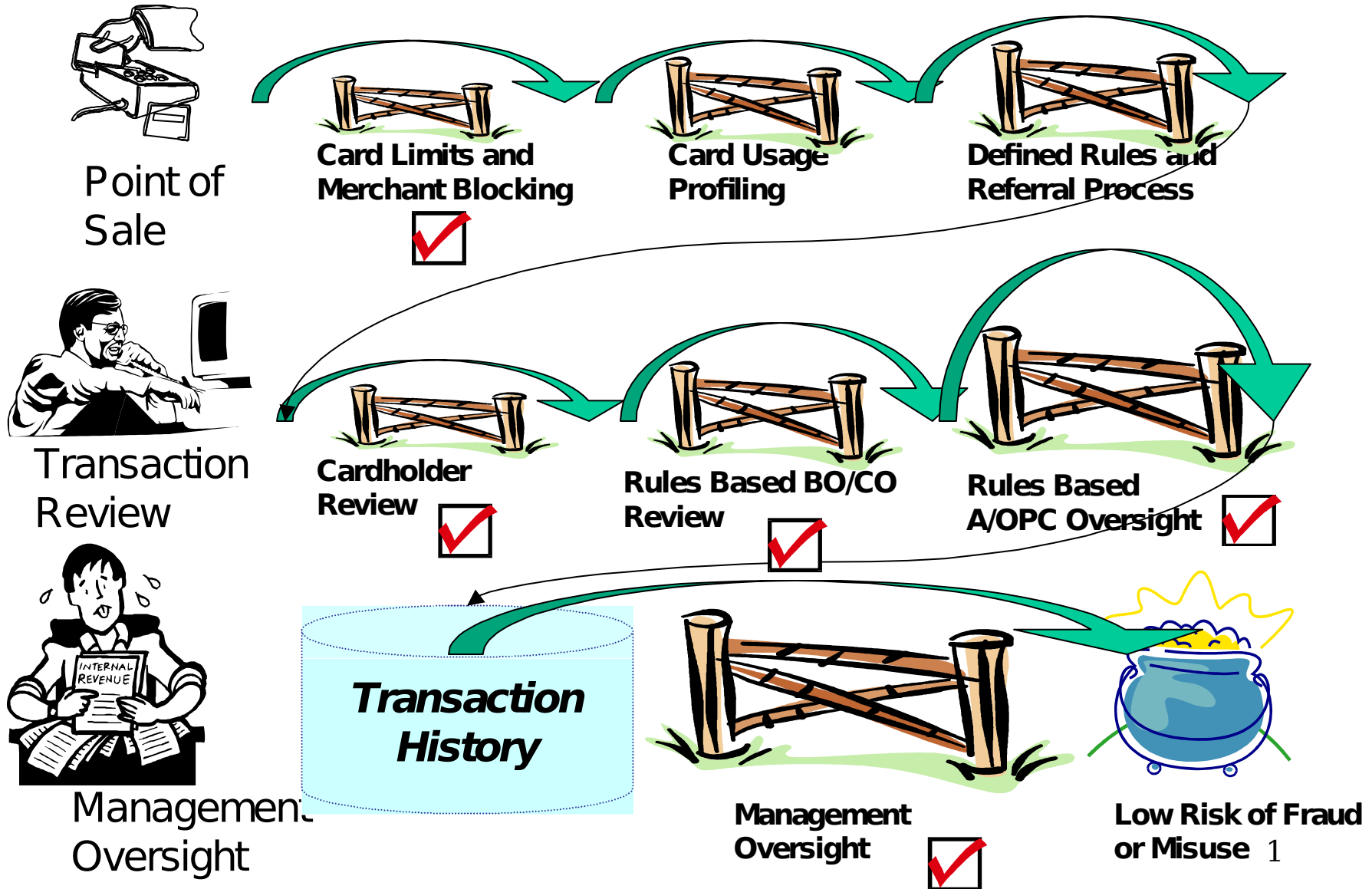
EDI Process Flow



Management Controls

- **Positive Funds Control**
- **Maintenance of Purchase Log**
- **Two Tiered Review Prior to Payment**
 - **Cardholder**
 - **Billing Official**
- **Separation of Duties**
- **Dispute Capabilities**
- **Data Integrity**
- **System Access Security**

Purchase Card Defense in Depth



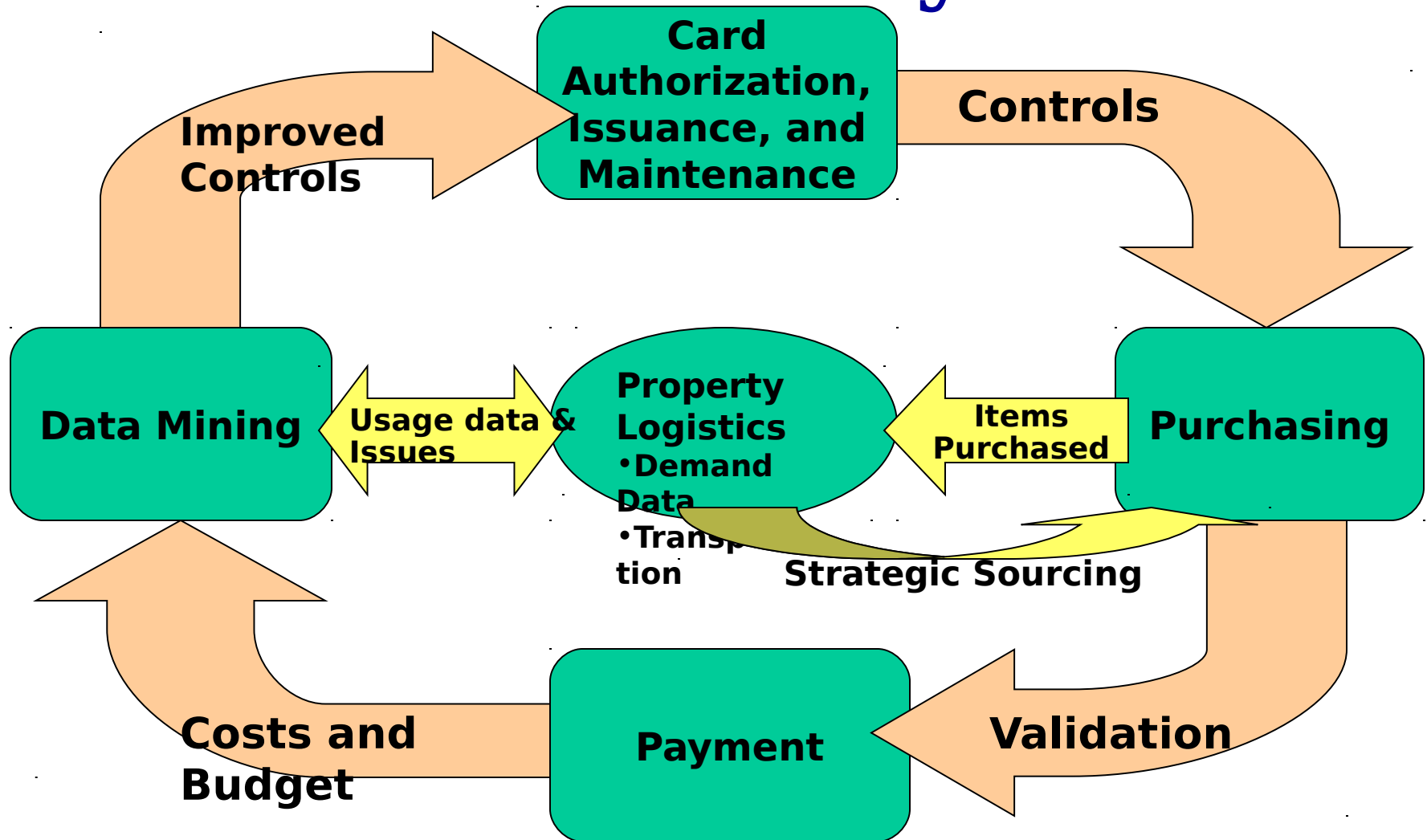
Commanders Responsibilities

- **Nominate Individuals as Billing Officials and Cardholders**
- **Appoint GPC Certifying Officers**
- **Establish Internal Operating Policies**
- **Enforce Discipline and Administrative Actions**

New Guidance

- **DoD Charge Card Guide**
- **Disciplinary Guide**
 - **Reporting**
- **Creditworthiness Checks**
- **Control of Cards Upon Departure**
- **Frustrated Freight**
- **Army Regulation (Draft)**

Purchase Card Feedback Cycle



New Initiatives

- **Data Mining Pilot**
 - **User Profiles**
 - **Point of Sale Blocks**
 - **Oversight Alerts**
- **Misuse and Shared Reports**
 - **Suspect Vendors**
 - **Blocked Merchants**
 - **Unused Credit Limits**

New Initiatives

- **Front End Card Authorization/Issuance System**
 - **Finance**
 - **Personnel**
 - **Logistic**
 - **Acquisition**
- **GPC and Contract Payments**
 - **Dual Obligations**
 - **Manual Process**
 - **Invoice Print Capability**
 - **Pilots**
 - **OSD (C) Coordination**

New Initiatives

- **Fraud Focus Group**
- **Re-competition of GSA Contract**
 - **Requirement Development**
 - **DOD Wide Working Group**
 - **Award 2007**

Questions?



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